

#5637

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SERVICE CONTRACT

**THE REPUBLIC OF CROATIA
ALEXANDER STRATEGY GROUP, INC.**

KNOW ALL PERSONS THAT ALEXANDER STRATEGY GROUP (ASG) WITH ITS PRINCIPAL PLACE OF BUSINESS AT 3000 K STREET, N.W., SUITE 101, WASHINGTON, D.C. 20007, DOES HEREBY CONTRACT WITH THE REPUBLIC OF CROATIA TO PROVIDE PROFESSIONAL CONSULTANT SERVICES. THIS CONTRACT SHALL TAKE EFFECT ON 01 FEBRUARY 2004 AND SHALL CONTINUE THROUGH 14 FEBRUARY 2006 WITH A ONE YEAR REVIEW ON 14 FEBRUARY 2005 AT WHICH TIME EITHER PARTY CAN NOTIFY THE OTHER PARTY IN WRITING OF ITS DESIRE TO END THE AGREEMENT IN THIRTY (30) DAYS. FOR PROFESSIONAL SERVICES RENDERED DURING THE TERM OF THIS CONTRACT, THE REPUBLIC OF CROATIA AGREES TO PAY TO ASG THE SUM OF TWELVE THOUSAND FIVE HUNDRED (\$12,500.00) PER MONTH PLUS EXPENSES AS SET FORTH IN THIS CONTRACT. ASG WILL WORK WITH MELADY ASSOCIATES ON THIS PROJECT AND WILL PAY THEM DIRECTLY.

ASG WILL CHARGE THE REPUBLIC OF CROATIA FOR REASONABLE BUSINESS EXPENSES AS OUTLINED IN THIS CONTRACT. INDIVIDUALLY RECEIPTED EXPENSES INCURRED IN CONNECTION WITH PROVIDING THOSE PROFESSIONAL SERVICES (E.G., TRAVEL, BUSINESS MEALS, LOCAL TRANSPORTATION AND OTHER DIRECT CHARGES) SHALL BE PAYABLE AS INCURRED AND WILL BE INVOICED TO THE REPUBLIC OF CROATIA.

IN ITS CAPACITY AS A CONSULTANT, ASG SHALL MAKE ITS FULL AND BEST EFFORTS TO ASSIST THE REPUBLIC OF CROATIA IN PURSUING ITS GOVERNMENT AFFAIRS OBJECTIVES. THE EXACT NATURE OF THOSE OBJECTIVES SHALL BE DETERMINED BY JOINT CONSULTATION BETWEEN THE REPUBLIC OF CROATIA, ASG AND MELADY ASSOCIATES.

ANY DISPUTE ARISING UNDER THIS CONTRACT SHALL BE RESOLVED BY ARBITRATION IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION.

THIS AGREEMENT CONTAINS THE ENTIRE UNDERSTANDING BETWEEN THE PARTIES. IT MAY BE CHANGED ONLY BY WRITTEN AGREEMENT SIGNED BY BOTH PARTIES.

IN WITNESS WHEREOF THE AUTHORIZED REPRESENTATIVES OF ASG AND THE REPUBLIC OF CROATIA DO HEREBY EXECUTE THIS CONTRACT.

DATE: August 4, 2004

BY:

Neven Jurica
NEVEN JURICA, AMBASSADOR
REPUBLIC OF CROATIA

DATE: August 4, 2004

BY:

Paul D. Behrends
PAUL D. BEHREND, PARTNER
ALEXANDER STRATEGY GROUP, INC.